

# *Gulfgate*

## **GULFGATE AREA (GULFGATE/ PINEVALLEY, PECAN PARK, GOLFCREST/REVEILLE, PARK PLACE)**

### **1. Key Market Characteristics**

This is a very well documented market that has become increasingly Hispanic, with a 21.1% increase over the past ten years. In addition, of the 71,000 plus residents, the Drill Down projects approximately 8,000 immigrants. This is one of the few Houston Drill Down markets where average household incomes of \$34,887 have almost kept pace with inflation. Almost every household in the market has a documented credit history and this market has the lowest incidence of crime (48.42 per thousand) of all the Drill Down markets. Also of note, Gulfgate has the highest percentage of households with cars: 97.7 and the highest average value of cars per household: \$15,000. In addition to the 71,000 – 79,000 residents, Gulfgate is also home to 1,952 documented businesses employing over 28,000 people and generating revenue in excess of \$6.2 billion.

### **2. Size**

**Residential:** The Drill Down revealed a market of 71,290 people and 21,730 documented households. When the immigrant population is taken into consideration, the population grows to 79,000, representing a variance of 16.4% over Census 2000 population.

**Density:** The fact that only 46.2% of the land is residential in nature contributes to the low residential density of the market: 3.0 households per acre.

**Employees:** There were 1,952 businesses employing over 28,400 people.

### **3. Change in Market Size**

**Change in Size:** The Drill Down reflects a change of 22.3% in market size (documented population, not inclusive of immigrants) from the Census 1990 figure.

**Potential Market Expansion Capacity:** Based on real estate development patterns, current land use and land availability; it is very conservatively projected that the Gulfgate market can support the development of approximately 1,300 units – or 5.9% over the next ten years.

### **4. Buying Power**

**Income:** Average Household income, adjusted for the cash economy, is \$34,887. Aggregate household income is projected to be approximately \$758 million.

The Cash Economy is a significant factor contributing approximately \$121 million or 16.0% to the aggregate household income figure of \$758 million.

**Unbanked Households:** 41.6% of the households do not have documented banking relationships.

## 5. Real Estate Activity

Home Values: Based on all recent (2000 and first half 2001) documented single-family sales in the market (488 sales), median sales value was \$76,546. Additionally, the permit values of newly constructed single-unit properties (103, between 1994 – 2000) averaged \$53,000.

Owner Occupancy: When measured at a building level, owner-occupancy is 69.6%, when measured at a unit level is 42.8%. In light of the fact that the Drill Down uncovered approximately 2,000 more housing units than the census, Drill Down owner occupancy at a unit level is less than the census figure (42.2% vs. 49.9%).

## 6. Market Change Indicators

- Population Growth: 22.3% increase over Census 1990
- Home Value Appreciation: 42.9% over 1990 (based on recent SF sales)
- Vacancy at a unit level: declined from 15.1% in 1990 to 8.7% in 2000 based on census figures
- Owner Occupancy at a building level: 69.6%
- Building Permits: 11% of all buildings had permits

## 7. Risk / Stability Indicators

- Crime: Decreased 10.4% between 1997 and 2000 to 48.42 incidents per thousand. This compares with 67.42 incidents per thousand for the City of Houston.
- Owner Occupancy: Unit level: 42.8%; Building level: 69.5%
- Vacancy at a unit level: declined from 15.1% in 1990 to 5.5% in 2000 based on census figures

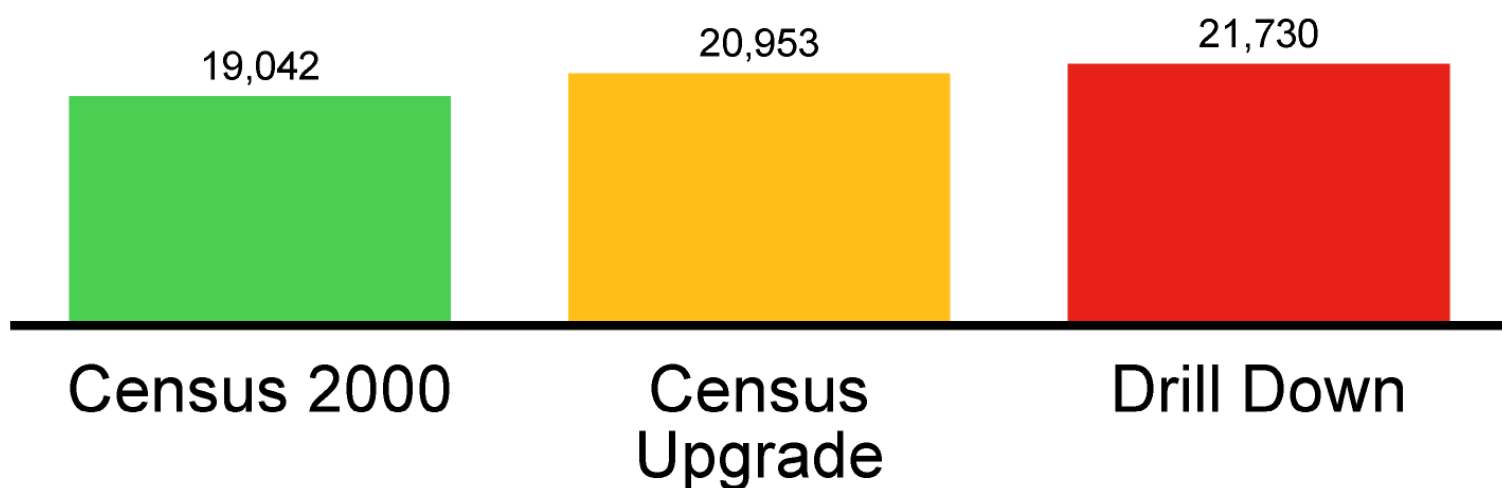
## 8. Major surprises and findings dramatically inconsistent with mainstream market research

This is a very solid working family market experiencing an increase in Hispanic households, both new immigrants as well as Mexican American households. Indicators of strength include the following facts:

- Household incomes are keeping pace with inflation (compared to the other Drill Down markets where this is not the case);
- Homeownership is the highest of all the markets at 67.5% of the households
- Crime is the lowest of all the Neighborhood Markets;
- There is a very high level of auto ownership per household at 97% with average vehicle values of \$15,052.
- 97.5% of the households have documented household credit and consumer profiles.

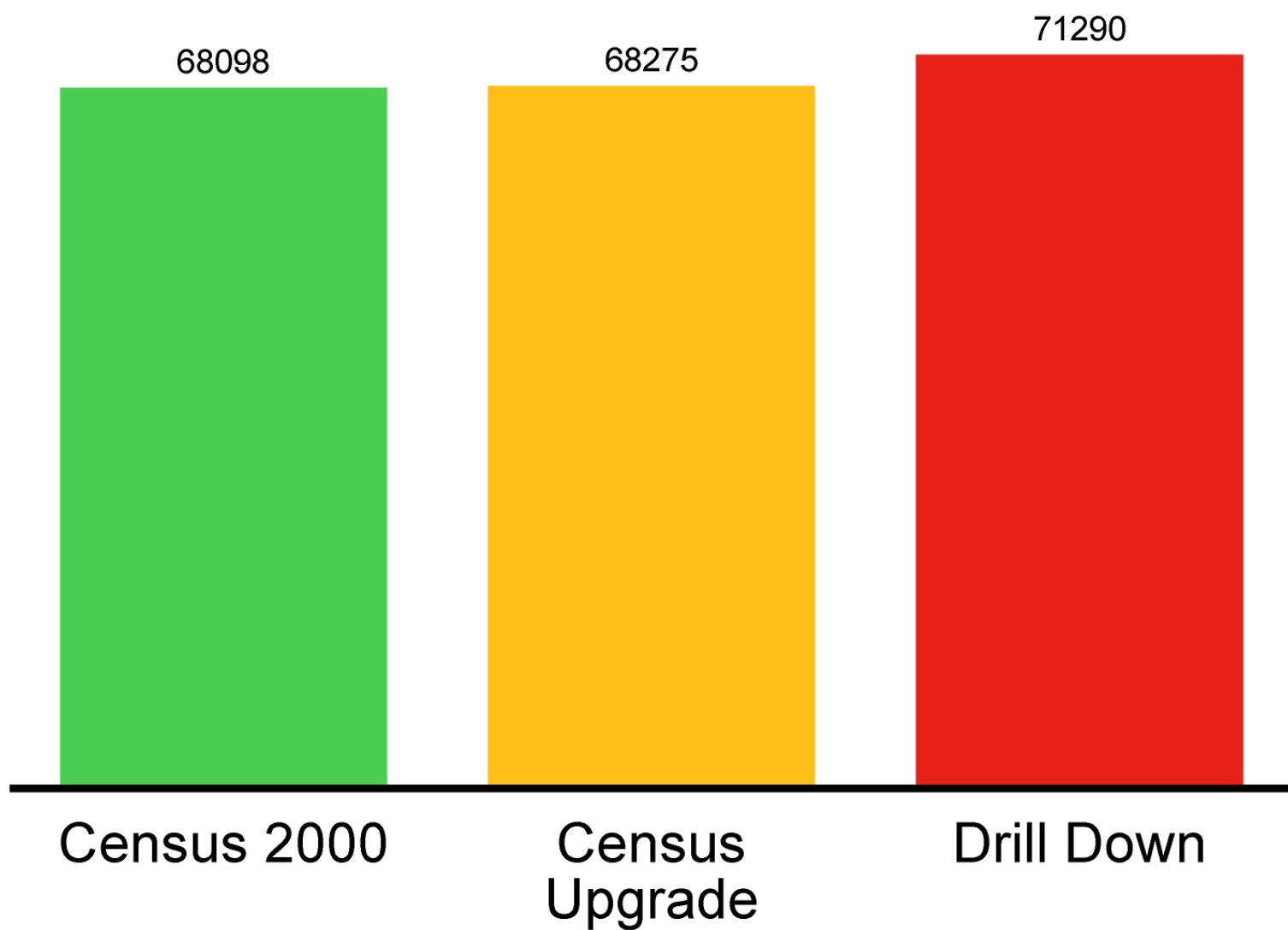
# Houston – Gulfgate

Number of households



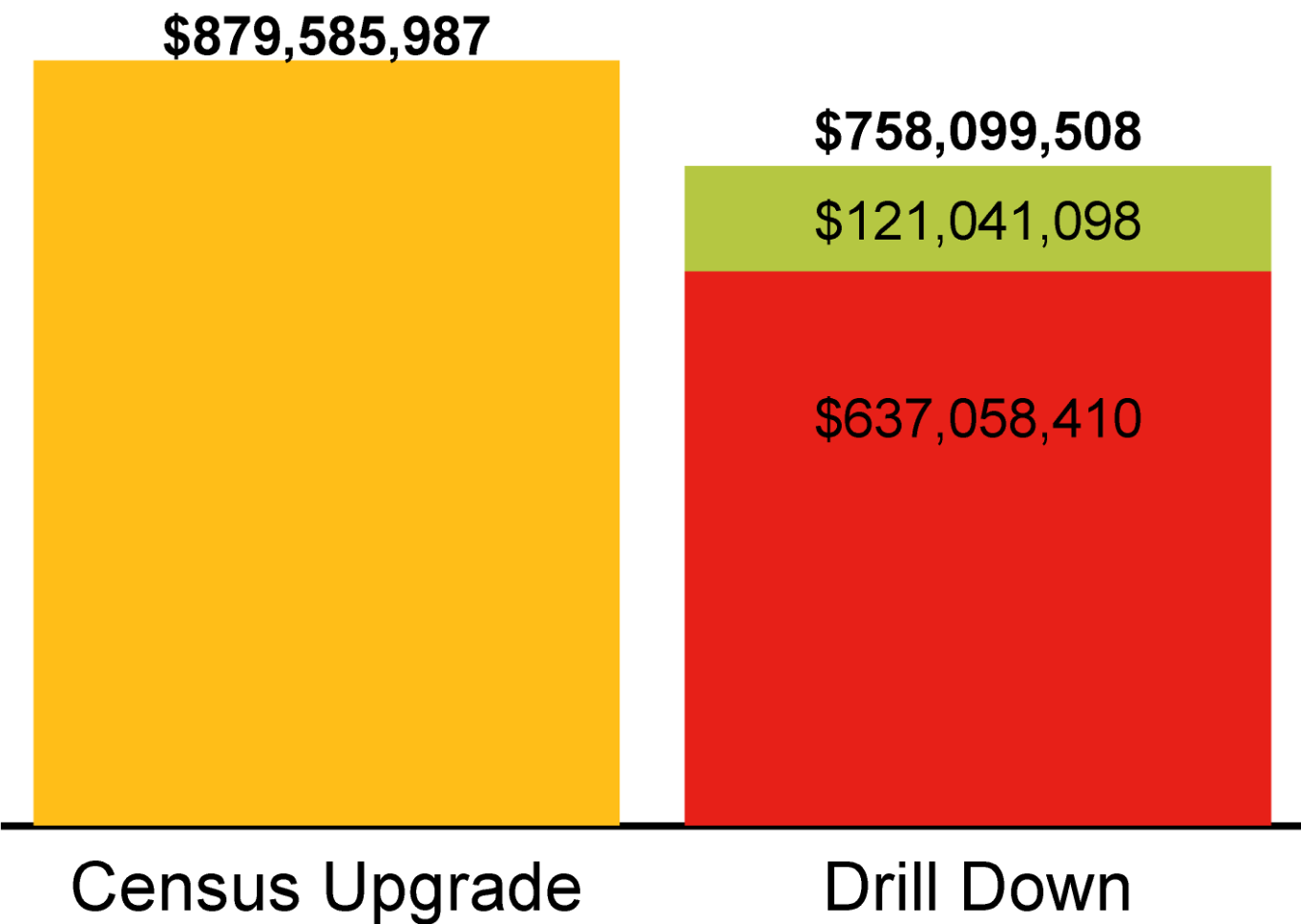
# Houston – Gulfgate

Population 2000



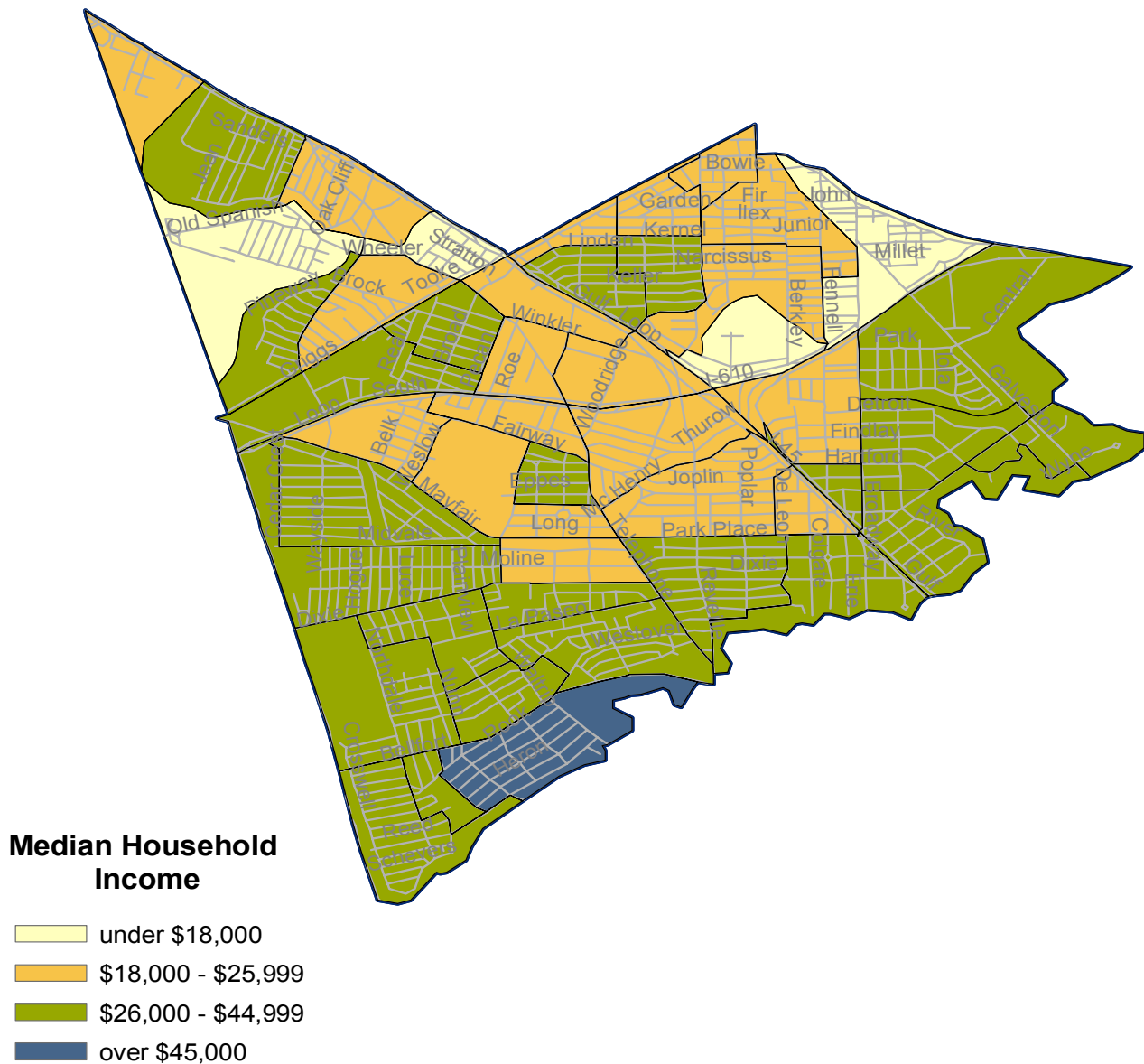
# Houston – Gulfgate

Change in population (% change 1990 to 2000)



# Houston Gulfgate Area

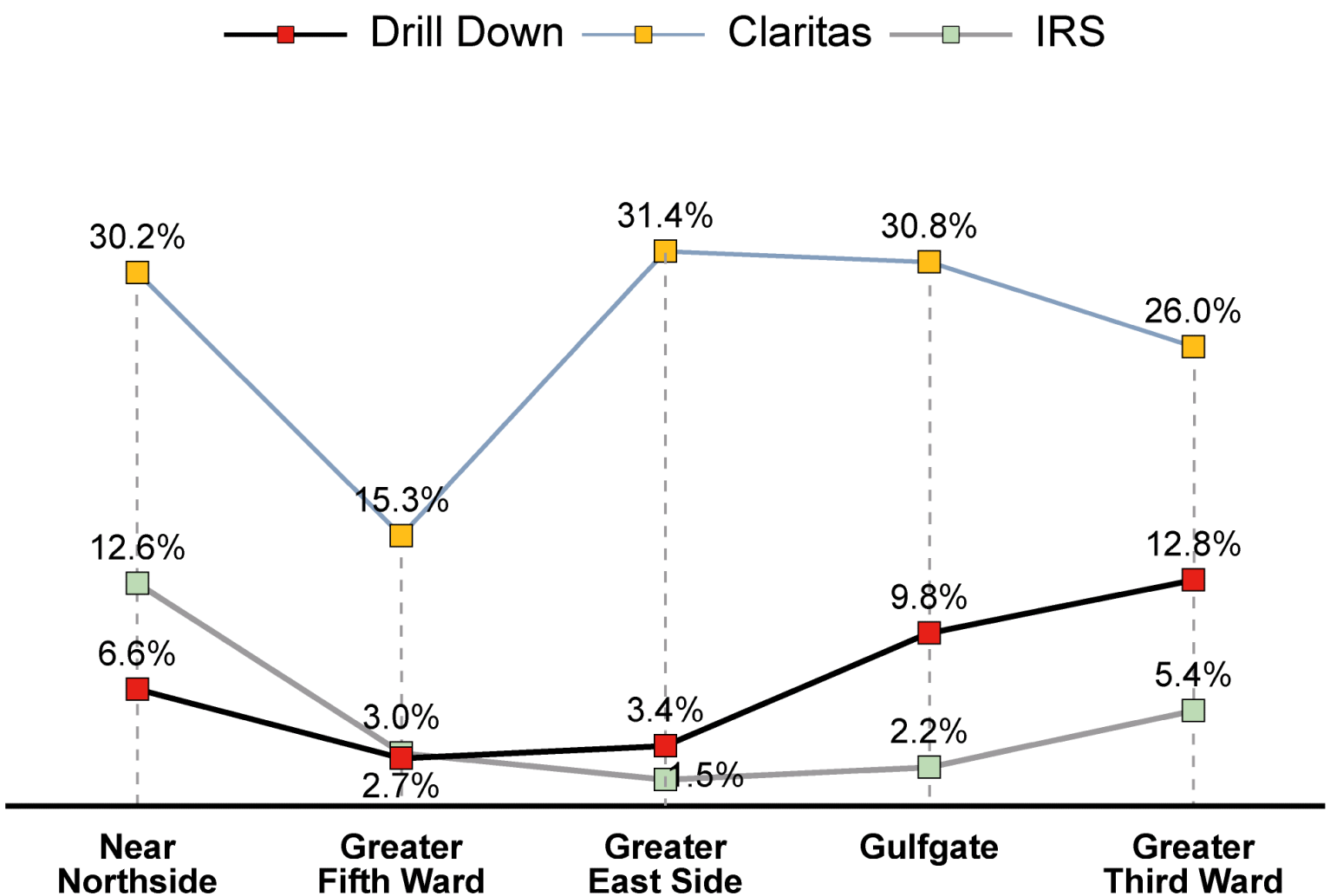
## Drill Down Median Household Income



**median income = \$23,811**

# Houston

Households with incomes over \$50,000 by group

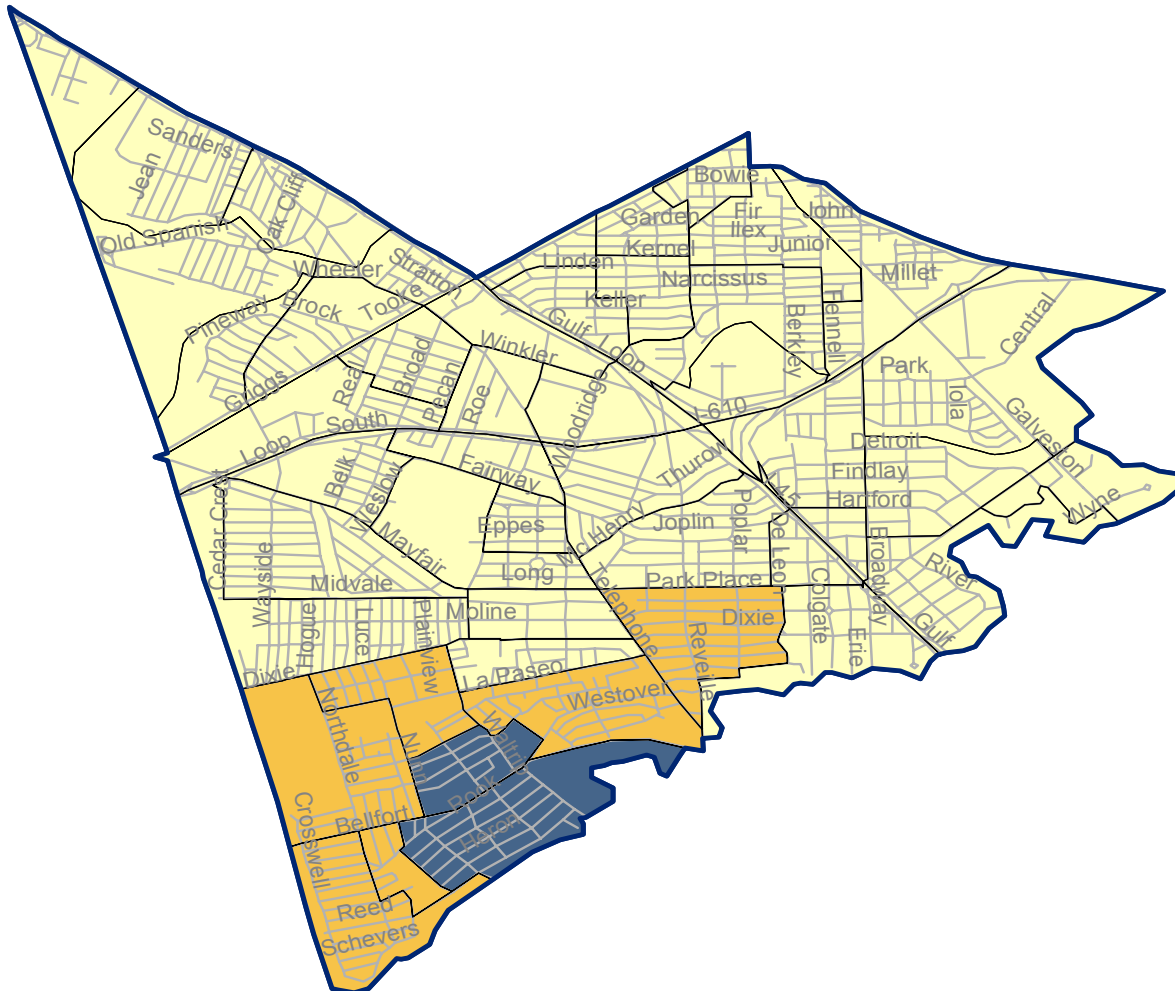




# Houston

## Gulfgate Area

## Drill Down Households with Income over \$50,000



### Percentage of Households

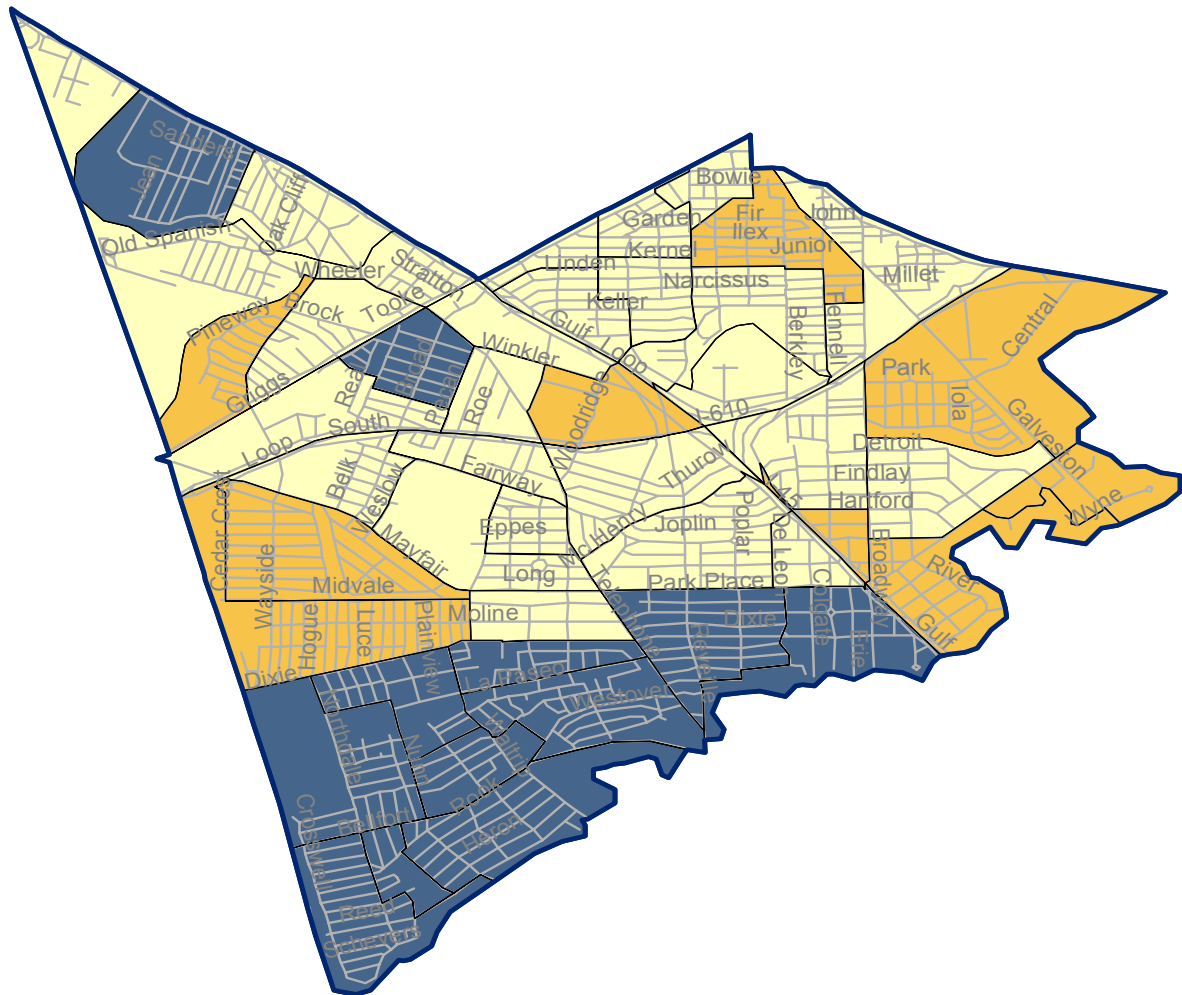
- under 15%
- 15 - 30%
- over 30%

**median income = \$23,811**

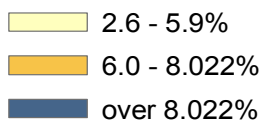
# Houston

## Gulfgate Area

## Drill Down Households with Income over \$50,000 Based on IRS Scale



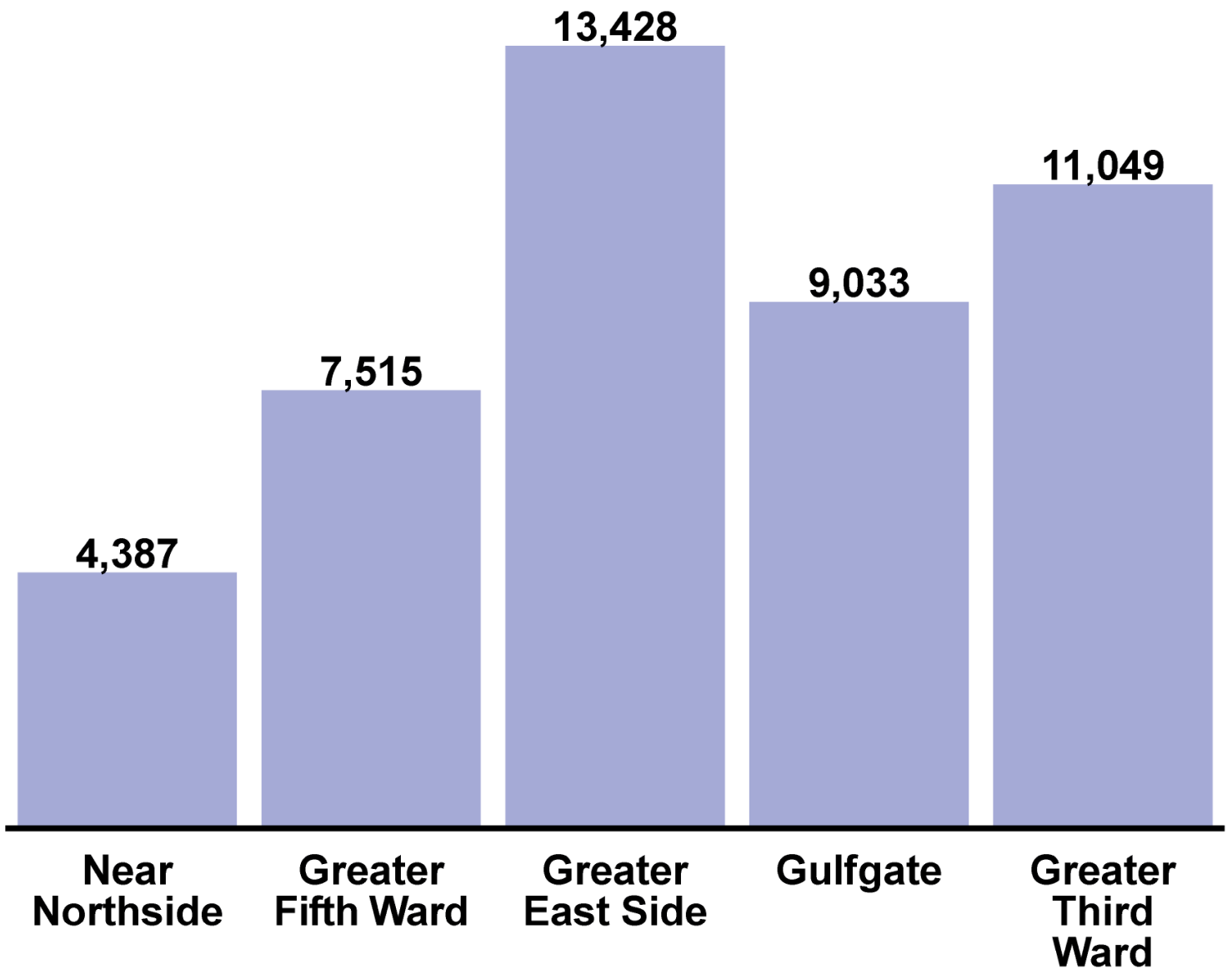
### Percentage of Households



**median income = \$23,811**

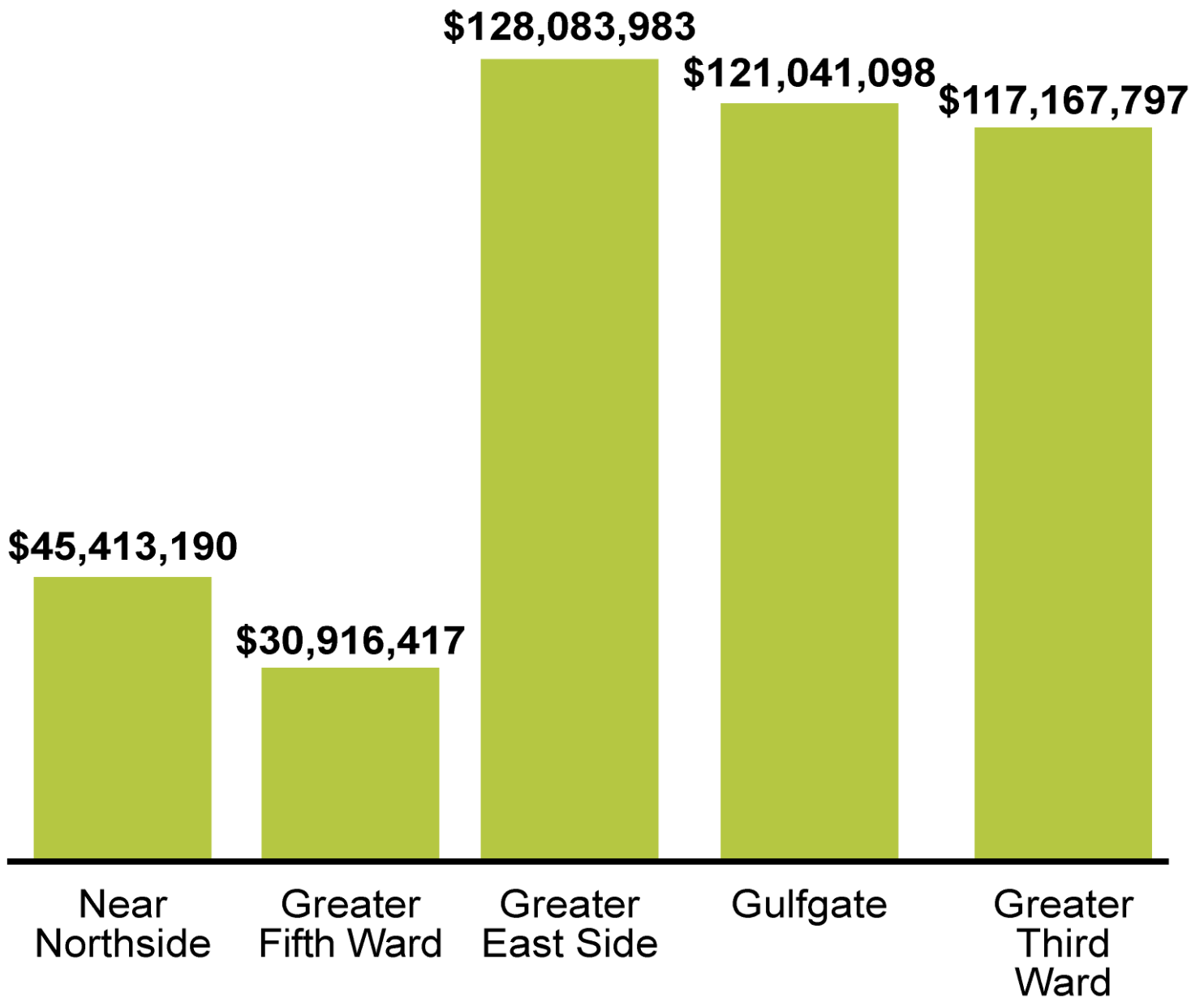
# Houston

Households without documented banking relationship by group



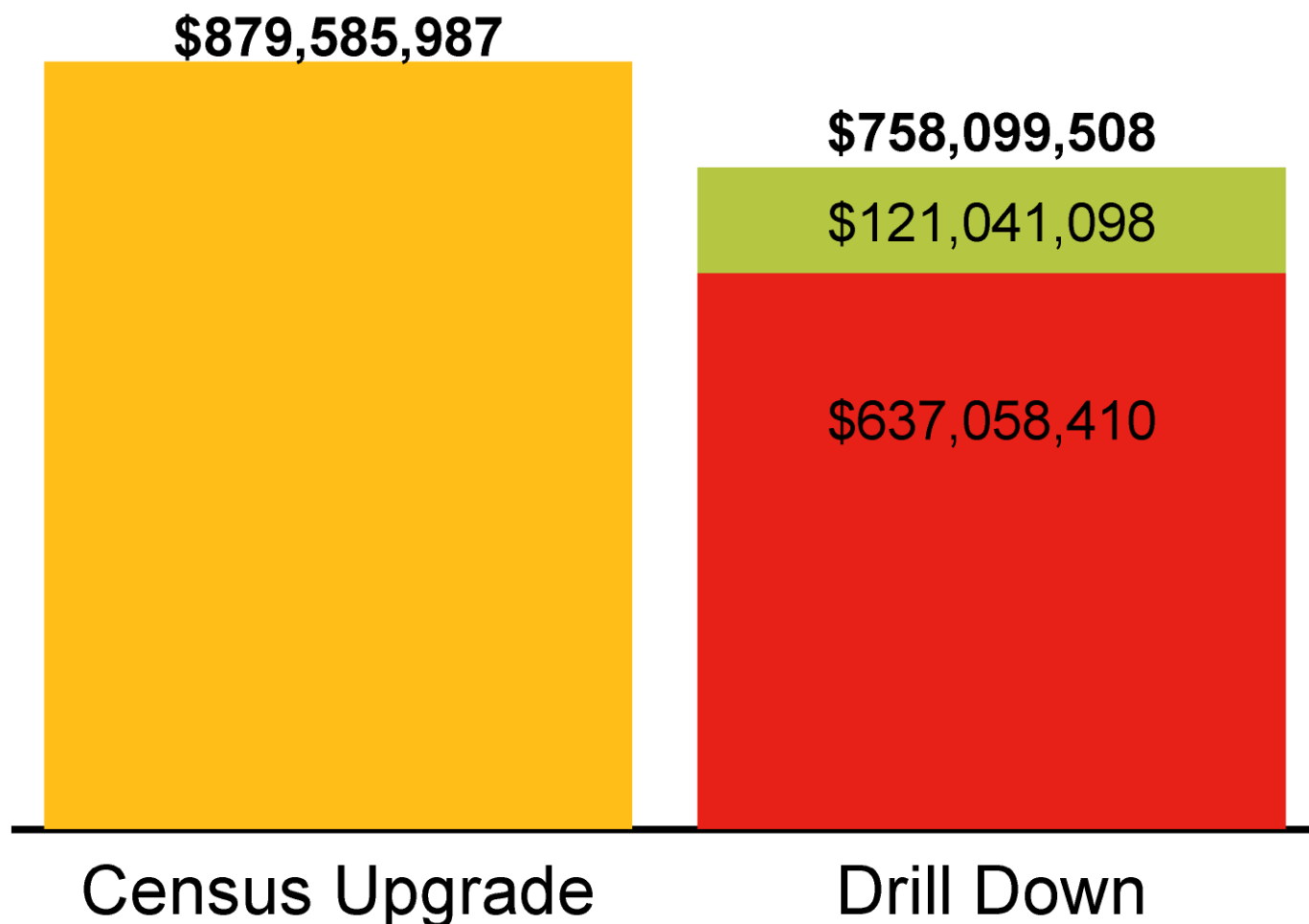
# Houston

Cash economy by group



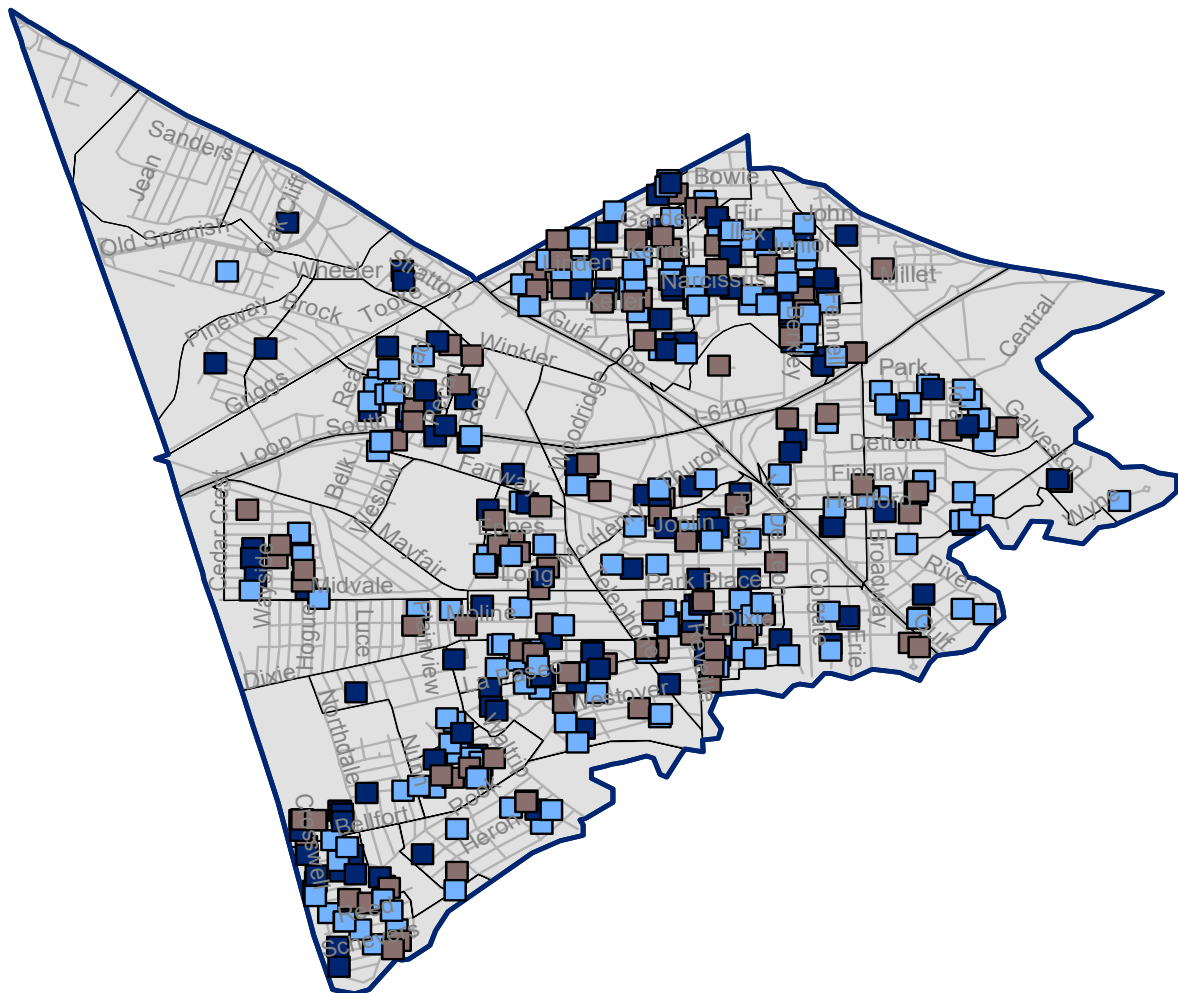
# Houston – Gulfgate

Aggregate expenditure capacity



## Gulfgate Area

## Jan 2000 - June 2001



### Sale Date

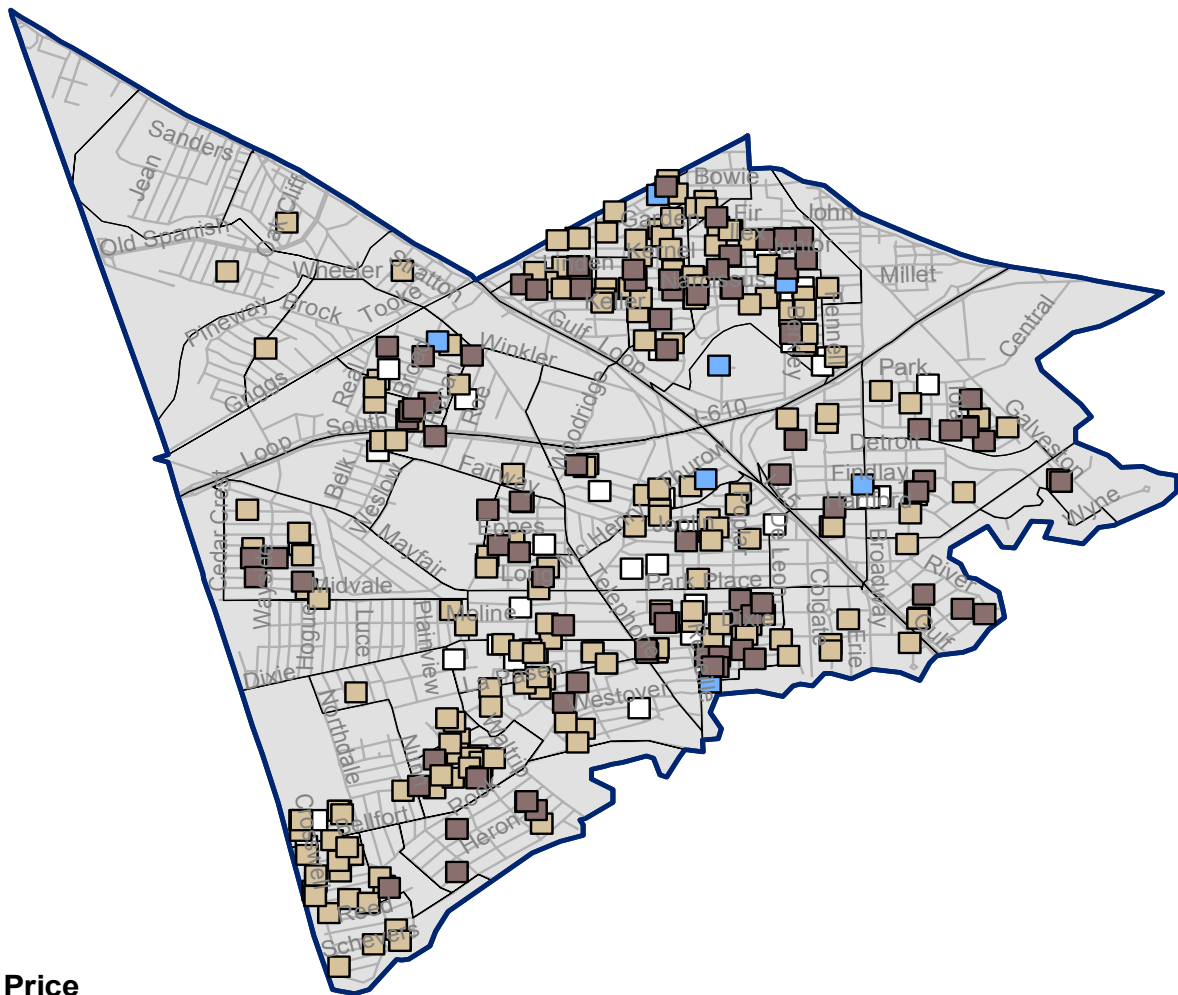
- 1st - 2nd Quarter 2000 (126)  
■ 3rd - 4th Quarter 2000 (202)  
■ 1st - 2nd Quarter 2001 (160)

**488 total single family home sales**

# Houston

## Gulfgate Area

**Single Family  
Home Sales Value  
Jan 2000 - June 2001**



### Sale Price

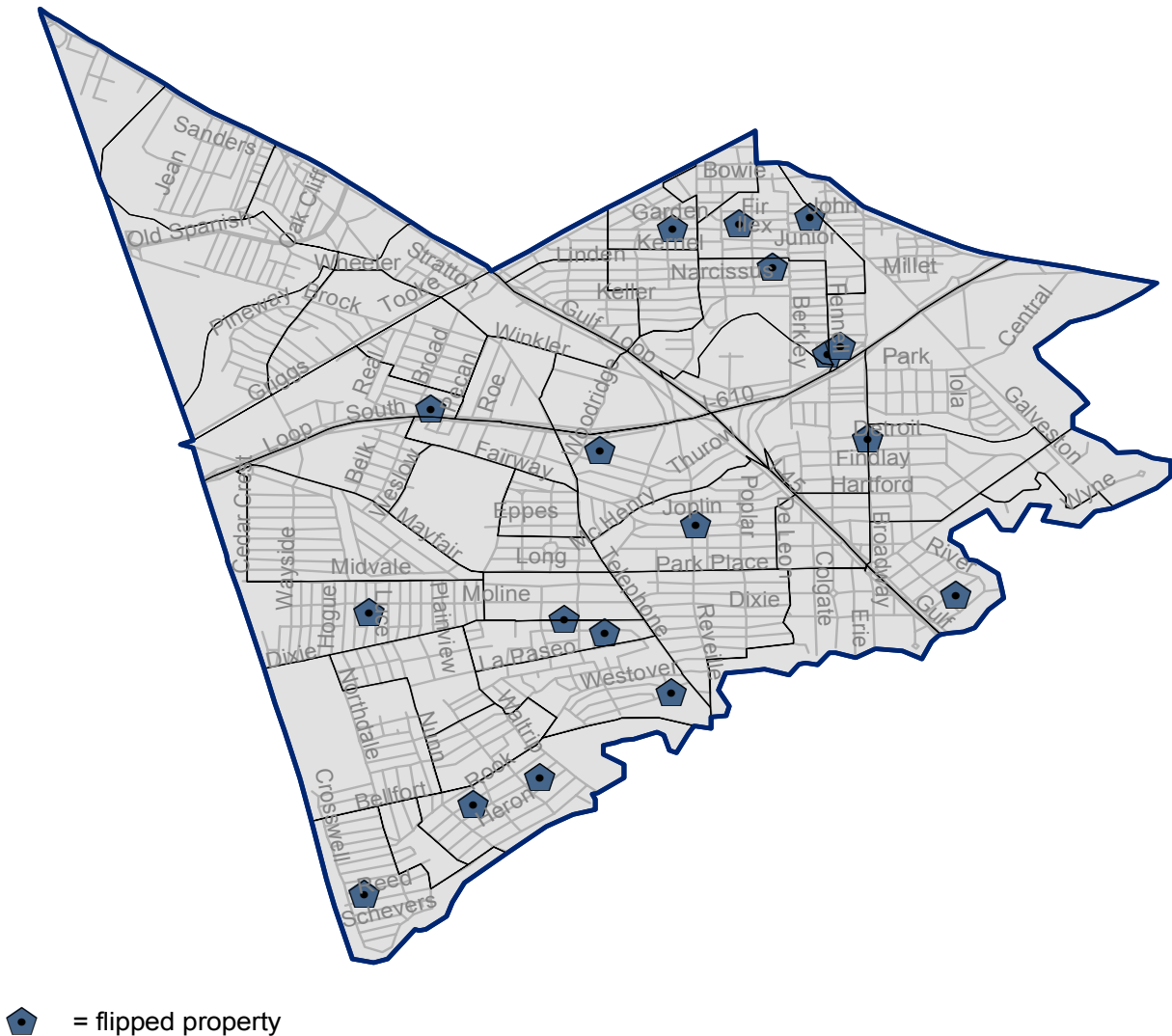
- unknown value (126)
- Less than \$50,000 (78)
- \$50,000 - \$99,999 (194)
- \$100,000 - \$149,999 (83)
- \$150,000 - \$499,999 (7)

**488 total single family home sales**

# Houston

## Gulfgate Area

**Properties that Flipped\*  
Jan 2000 - June 2001**



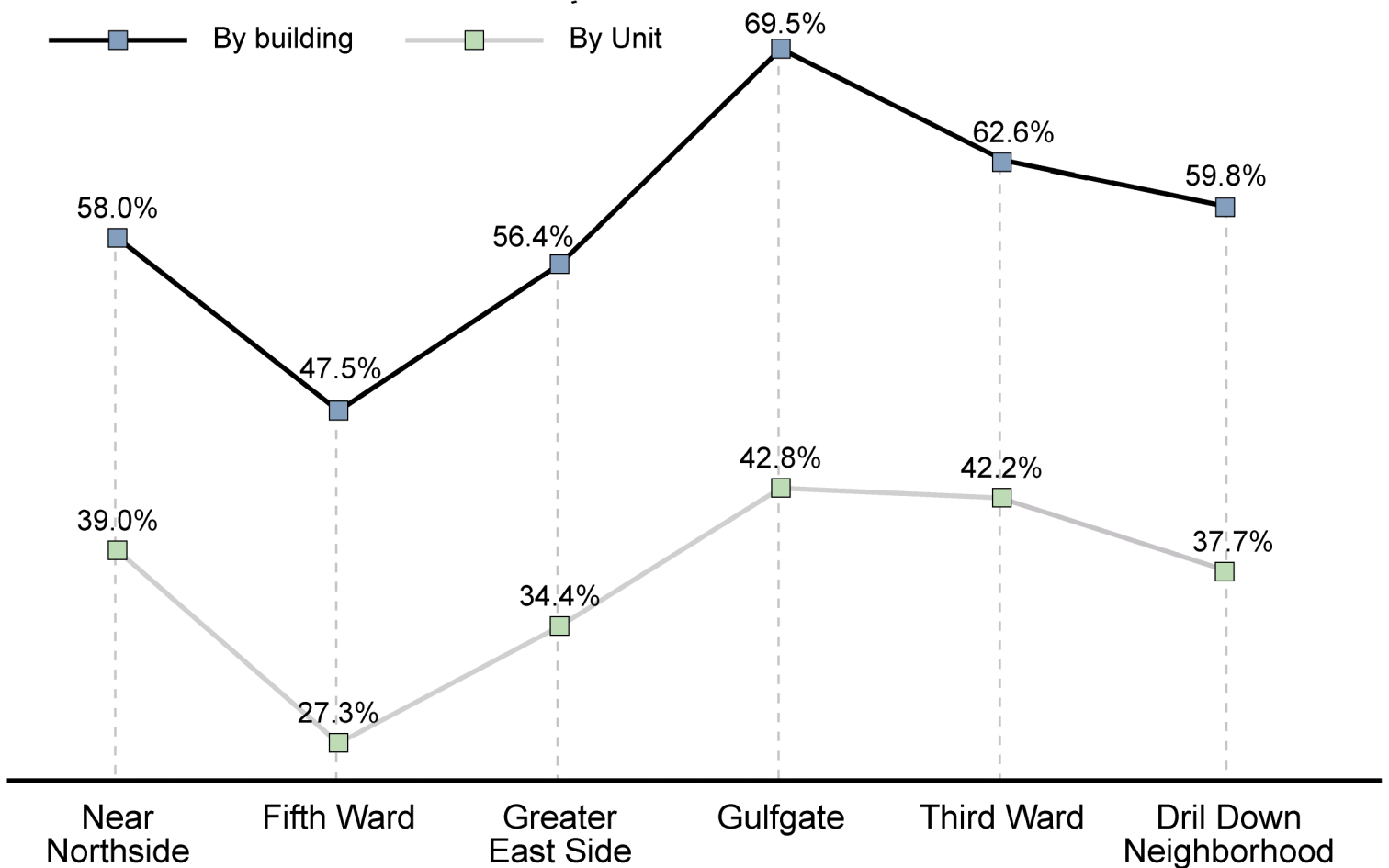
**19 total flipped properties**

**\*a property is flipped when it is purchased  
and quickly resold for a large profit.**



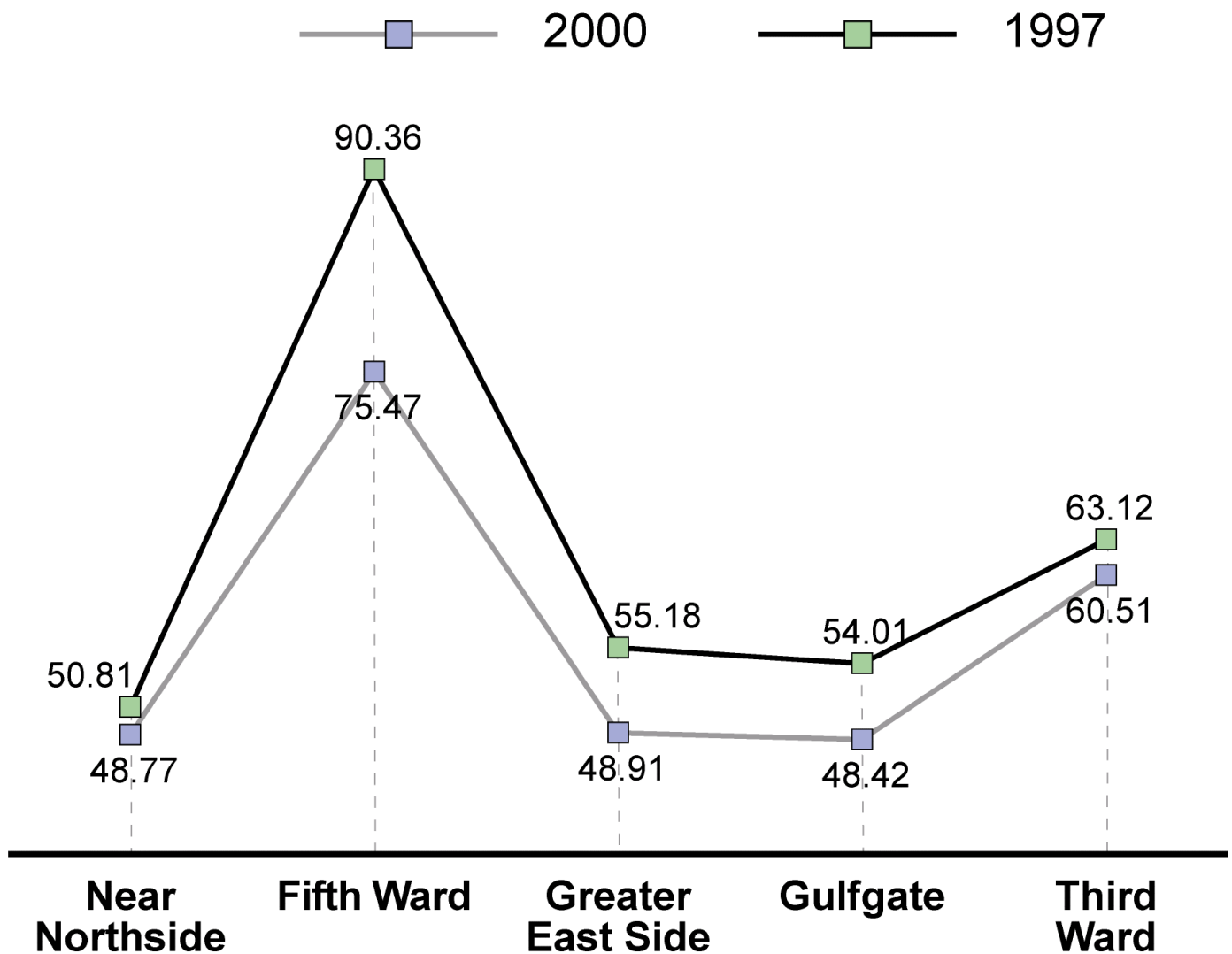
# Houston

## Owner Occupancy by group



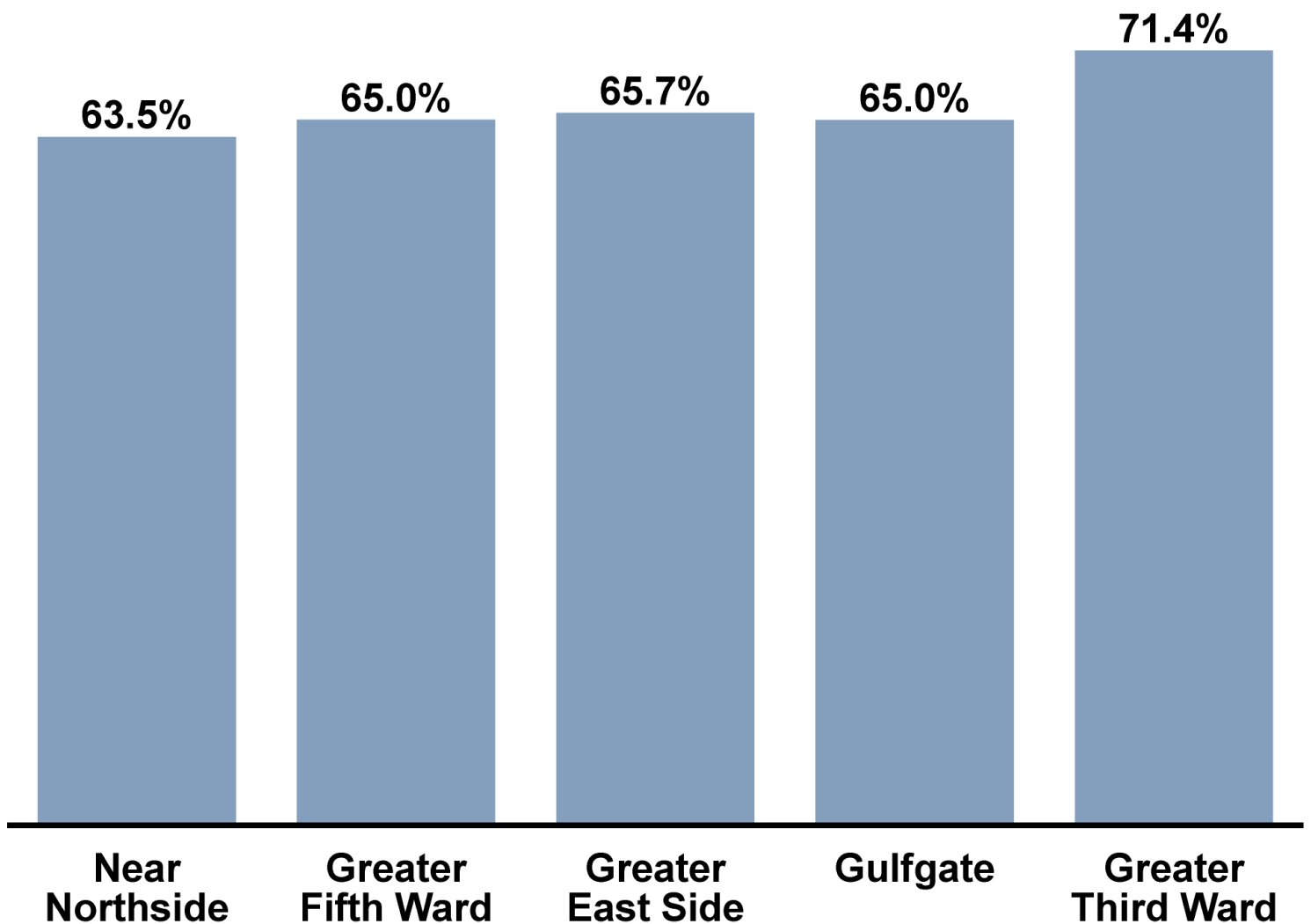
# Houston

Total incidents of crime by group (2000 versus 1997)



# Houston

Percentage of businesses with history over three years



# Houston

Number of businesses in Drill Down Super Neighborhoods

